

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPlicate*
(Other last reverse)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

CHF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE SOLE ☒

MULTIPLE SOLE ☐

3. NAME OF OPERATOR

KCS Medallion Resources, Inc.

6. ADDRESS AND TELEPHONE NO.

7130 South Lewis Avenue, Suite 700, Tulsa, OK 74136-5489. Phone (918)491 4114

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface

330 ft FNL & 1080 ft FNL of Section 30

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

The location is about 8 miles SE of Loco Hills

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

330 ft

16. NO. OF ACRES IN LEASE
LC 029387-B 160 Acres

17. NO. OF ACRES ASSIGNED TO THIS WELL
NE/4 of NW/4 of Sec 30, 40 Acres

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

740 ft

19. PROPOSED DEPTH
10,400 ft

20. ROTARY OR CABLE TOOLS
Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3630 ft, Ground Level

22. APPROX. DATE WORK WILL START*

December 5, 1998

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	Sch 10, 20"	52.73 lbs.	40 to 80 ft	Ready-Mix to surface
17 1/2"	H40, 13 3/8"	48 lbs.	500 ft	370 sacks w/additives
11"	J55, 8 5/8"	32 lbs.	2,800 ft	685 sacks w/additives
7 7/8"	N80, 5 1/2"	17 lbs.	10,400 ft	280 sacks w/additives

WITNESS

Procedure:

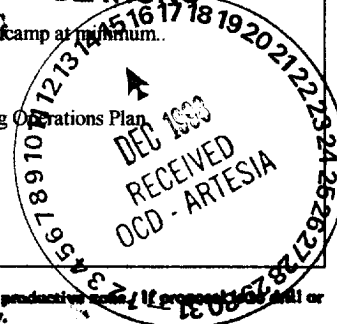
1. Drill 26 in hole and set 20 in conductor w/rat hole digger if necessary. Cement to surface
2. Drill 17 1/2 in hole to 500 ft and set 13 3/8 in casing. Cement to surface.
3. Drill 11 in hole to 2800 ft and set 8 5/8 in casing. Cement to surface.
4. Install Hydrill and BOP Stack. Test to 2750 psig.
5. Drill cement in casing to within 20 ft of shoe. Test casing to 1500 psig.
6. Drill 7 7/8 in hole through the Wolfcamp formation to TD. DST as necessary.
7. Run electric logs. Shoot sidewall cores if desired.
8. If warranted, run and cement 5 1/2 in casing. Cement to 500 ft above top zone of interest or to 500 ft above the top of Wolfcamp at minimum.
9. Test 5 1/2 in casing to 3000 psig prior to perforation.

Exhibits Attached:

- | | | | |
|---------------------------------|-------------------------------|----------------------------------|---------------------------------|
| A. Location and elevation plat. | D. Surface Use Plan. | G. Typical Wellsite Layout | J. H2S Drilling Operations Plan |
| B. Location Verification Map. | E. Drilling Plan. | H. Archaeological Survey | |
| C. Vicinity map. | F. Blow Out Preventer Diagram | I. Map of Existing Wells in Area | |

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS**

ATTACHED



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Larry Wheat

TITLE

Drilling Superintendent

DATE

11-11-98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Acting

(ORIG. SGD.) ARMANDO A. LOPEZ

Assistant Field Office Manager,
Lands and Minerals

APPROVED BY

TITLE

DATE

12/14/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
MAY 13 1988
FBI
FBI - MEMPHIS

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0718

Exhibit "A"

NOV 01 1998

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

OPERATIONS

☐ AMENDED REPORT

DISTRICT IV
P.O. Box 2000, Santa Fe, N.M. 87504-2000

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name Shugart West 30 Federal "C"	Well Number 1
OWNER No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3630'

Surface Location

UL or Lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
C	30	18 S	31 F		330	NORTH	1980	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or Lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres					Joint or Infill	Consolidation Code	Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

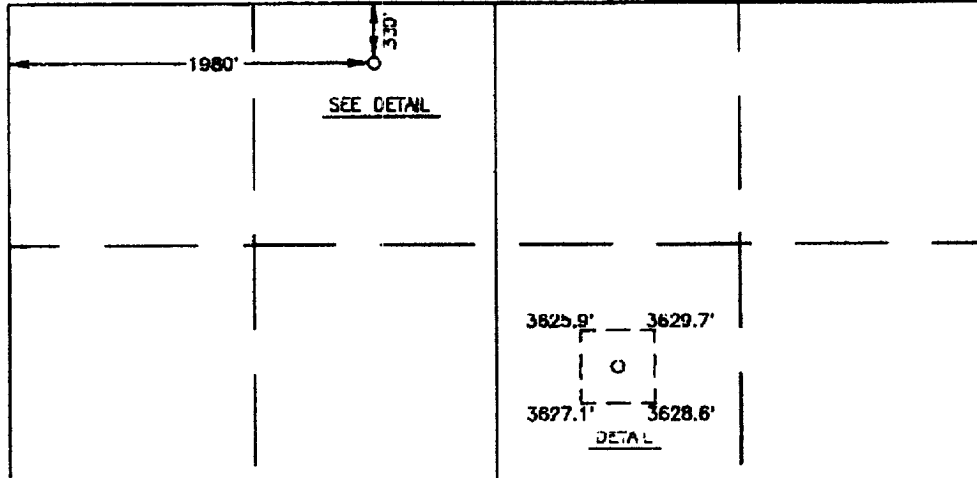
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Larry Wheat</i> Signature LARRY Wheat Printed Name Drilg Supt Title 11-2-98 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 28, 1998</p> <p>Date Submitted Signature of Seal of Professional Surveyor RONALD J. EDSON Professional Surveyor NEW MEXICO 10-29-98 11-1-1906 Certificate No. RONALD J. EDSON 3239 PROFESSIONAL SURVEYOR 2641</p>

Exhibit "F"
KCS Medallion Resources, Inc.
Typical BOP Equipment Arrangement

All BOP Equipment to be 3000 psig Working Pressure or Greater

